



CONSTRUIMOS 

CDBG-DR

PRDOH's Uniform Relocation Assistance Guide & Residential
Anti-Displacement and Relocation Assistance Plan

(PRDOH URA & ADP GUIDE)

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Table of Contents

1	Established Periods of Time	6
2	Definitions	6
3	Acronyms	13
4	Overview/Background	14
	Applicable Waivers and Alternative Requirements	14
	One-for-One Replacement	14
	Relocation Assistance	14
	Tenant-Based Rental Assistance	14
	Displacement Due to a Major Disaster	15
5	Activities	16
	Acquisition Requirements	16
	Residential	16
	Non-Residential	16
6	Relocation Requirements	17
	Residential	17
	Relocation Planning	17
	Notifications	17
	General Information Notice (GIN)	18
	Notice of Non-Displacement – No Relocation Required.....	18
	Notice of Non-Displacement – Temporary Relocation Required	19
	Notice of Eligibility	19
	Thirty (30) Day Notice	19
	Ninety (90) Day Notice	20
	Relocation Advisory Services	20
	Intake Meeting	20
	Comparable Replacement Dwellings.....	21
	Housing of Last Resort	22
	Decent, Safe, and Sanitary (DSS) Inspections.....	23
	Reasonable Accommodations.....	23
	Moving Assistance	23
	Expense Claim Assistance	24
	Government Housing Assistance	24

Applicant Advisory Services.....	24
Household Eligibility Requirements for URA	25
Non-Responsive Households.....	26
Non-Cooperative Households.....	26
Waiver of Relocation Assistance.....	27
Non-Residential	27
7 Temporary Displacement (Temporary Relocation)	27
Eligible Expenses.....	28
Increased Housing Costs	28
Moving Expenses.....	29
Security Deposits	30
Other Expenses.....	30
Ineligible Expenses	31
Relocation Duration and Return Home	31
Payments	32
8 Permanent Displacement	33
Allowable Displacing Activities	33
Eligible Expenses.....	34
Rental Assistance	34
Down Payment Assistance.....	35
Moving Expenses.....	35
Other Expenses.....	35
Ineligible Expenses	36
Payments	37
9 PRDOH URA Appeals	37
10 PRDOH Residential Anti-Displacement and Relocation Assistance Plan (PRARAP)..	39
Introduction.....	39
Purpose	39
Policy to Minimize Displacement	39
Policy on Relocation Assistance	41

1 Established Periods of Time

Unless otherwise specified, all established periods of time addressed in this and all CDBG-DR Program Guidelines, Guides, Plans and documents, will be considered calendar days. On this matter, PRDOH, as grantee, will follow Rule 68.1 of the Rules of Civil Procedure of Puerto Rico, 32 LPRA Ap. V, R. 68.1.

2 Definitions

The definitions in this section come directly from 49 C.F.R. § 24.2:

Agency. The term Agency means the State Agency, or person that acquires real property or displaces a person.

(i) **State Agency.** The term State Agency means any department, Agency or instrumentality of a State or of a political subdivision of a State, any department, Agency, or instrumentality of two or more States or of two or more political subdivisions of a State or States, and any person who has the authority to acquire property by eminent domain under State law.

Alien not lawfully present in the United States. The phrase "alien not lawfully present in the United States" means an alien who is not "lawfully present" in the United States as defined in 8 C.F.R. § 103.12 and includes:

(i) An alien present in the United States who has not been admitted or paroled into the United States pursuant to the Immigration and Nationality Act (8 U.S.C. 1101et seq.) and whose stay in the United States has not been authorized by the United States Attorney General; and,

(ii) An alien who is present in the United States after the expiration of the period of stay authorized by the United States Attorney General or who otherwise violates the terms and conditions of admission, parole or authorization to stay in the United States.

Appraisal. The term appraisal means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

Business. The term business means any lawful activity, except a farm operation, that is conducted:

(i) Primarily for the purchase, sale, lease and/or rental of personal and/or real property, and/or for the manufacture, processing, and/or marketing of products, commodities, and/or any other personal property;

(ii) Primarily for the sale of services to the public;

(iii) Primarily for outdoor advertising display purposes, when the display must be moved as a result of the project; or

(iv) By a nonprofit organization that has established its nonprofit status under applicable Federal or State law.

Citizen. The term citizen for purposes of this part includes both citizens of the United States and noncitizen nationals.

Comparable replacement dwelling. The term comparable replacement dwelling means a dwelling which is:

(i) Decent, safe, and sanitary as described in paragraph 24.2(a)(8) of 49 C.F.R. § 24.2;

(ii) Functionally equivalent to the displacement dwelling. The term functionally equivalent means that it performs the same function and provides the same utility. While a comparable replacement dwelling need not possess every feature of the displacement dwelling, the principal features must be present. Generally, functional equivalency is an objective standard, reflecting the range of purposes for which the various physical features of a dwelling may be used. However, in determining whether a replacement dwelling is functionally equivalent to the displacement dwelling, the Agency may consider reasonable trade-offs for specific features when the replacement unit is equal to or better than the displacement dwelling (See Appendix A, § 24.2(a)(6));

(iii) Adequate in size to accommodate the occupants;

(iv) In an area not subject to unreasonable adverse environmental conditions;

(v) In a location generally not less desirable than the location of the displaced person's dwelling with respect to public utilities and commercial and public facilities, and reasonably accessible to the person's place of employment;

(vi) On a site that is typical in size for residential development with normal site improvements, including customary landscaping. The site need not include special improvements such as outbuildings, swimming pools, or greenhouses. (See also § 24.403(a)(2));

(vii) Currently available to the displaced person on the private market except as provided in paragraph (a)(6)(ix) of this section (See Appendix A, § 24.2(a)(6)(vii)); and

(viii) Within the financial means of the displaced person:

(A) A replacement dwelling purchased by a homeowner in occupancy at the displacement dwelling for at least **180 days** prior to initiation of negotiations (180-day homeowner) is considered to be within the homeowner's financial means if the homeowner will receive the full price differential as described in § 24.401(c), all increased mortgage interest costs as described at § 24.401(d) and all incidental expenses as described at § 24.401(e), plus any additional amount required to be paid under § 24.404, Replacement housing of last resort.

(B) A replacement dwelling rented by an eligible displaced person is considered to be within his or her financial means if, after receiving rental assistance under this part, the person's monthly rent and estimated average monthly utility costs for the replacement dwelling do not exceed the person's base monthly rental for the displacement dwelling as described at § 24.402(b)(2).

(C) For a displaced person who is not eligible to receive a replacement housing payment because of the person's failure to meet length-of-occupancy

requirements, comparable replacement rental housing is considered to be within the person's financial means if an Agency pays that portion of the monthly housing costs of a replacement dwelling which exceeds the person's base monthly rent for the displacement dwelling as described in § 24.402(b)(2). Such rental assistance must be paid under § 24.404, Replacement housing of last resort.

(ix) For a person receiving government housing assistance before displacement, a dwelling that may reflect similar government housing assistance. In such cases any requirements of the government housing assistance program relating to the size of the replacement dwelling shall apply. (See Appendix A, § 24.2(a)(6)(ix).)

Contribute materially. The term contribute materially means that during the 2 taxable years prior to the taxable year in which displacement occurs, or during such other period as the Agency determines to be more equitable, a business or farm operation:

(i) Had average annual gross receipts of at least \$5,000; or

(ii) Had average annual net earnings of at least \$1,000; or

(iii) Contributed at least 33% of the owner's or operator's average annual gross income from all sources.

(iv) If the application of the above criteria creates an inequity or hardship in any given case, the Agency may approve the use of other criteria as determined appropriate.

Decent, safe, and sanitary dwelling. The term decent, safe, and sanitary dwelling means a dwelling which meets local housing and occupancy codes. However, any of the following standards which are not met by the local code shall apply unless waived for good cause by the Federal Agency funding the project. The dwelling shall:

(i) Be structurally sound, weather tight, and in good repair;

(ii) Contain a safe electrical wiring system adequate for lighting and other devices;

(iii) Contain a heating system capable of sustaining a healthful temperature (of approximately 70 degrees) for a displaced person, except in those areas where local climatic conditions do not require such a system;

(iv) Be adequate in size with respect to the number of rooms and area of living space needed to accommodate the displaced person. The number of persons occupying each habitable room used for sleeping purposes shall not exceed that permitted by local housing codes or, in the absence of local codes, the policies of the displacing Agency. In addition, the displacing Agency shall follow the requirements for separate bedrooms for children of the opposite gender included in local housing codes or in the absence of local codes, the policies of such Agencies;

(v) There shall be a separate, well lighted, and ventilated bathroom that provides privacy to the user and contains a sink, bathtub or shower stall, and a toilet, all in good working order and properly connected to appropriate sources of water and to a sewage drainage system. In the case of a housekeeping dwelling, there shall be a kitchen area that contains a fully usable sink, properly connected to potable hot and cold water and to a sewage

drainage system, and adequate space and utility service connections for a stove and refrigerator;

(vi) Contains unobstructed egress to safe, open space at ground level; and

(vii) For a displaced person with a disability, be free of any barriers which would preclude reasonable ingress, egress, or use of the dwelling by such displaced person. (See Appendix A, § 24.2(a)(8)(vii).)

Displaced person.

(i) General. The term displaced person means, except as provided in paragraph (a)(9)(ii) of this section, any person who moves from the real property or moves his or her personal property from the real property. (This includes a person who occupies the real property prior to its acquisition, but who does not meet the length of occupancy requirements of the Uniform Act as described at § 24.401 (a) and § 24.402(a)):

(A) As a direct result of a written notice of intent to acquire (see § 24.203(d)), the initiation of negotiations for, or the acquisition of, such real property in whole or in part for a project;

(B) As a direct result of rehabilitation or demolition for a project; or

(C) As a direct result of a written notice of intent to acquire, or the acquisition, rehabilitation or demolition of, in whole or in part, other real property on which the person conducts a business or farm operation, for a project. However, eligibility for such person under this paragraph applies only for purposes of obtaining relocation assistance advisory services under § 24.205(c), and moving expenses under § 24.301, § 24.302 or § 24.303.

(ii) Persons not displaced. The following is a nonexclusive listing of persons who do not qualify as displaced persons under this part:

(A) A person who moves before the initiation of negotiations (see § 24.403(d)), unless the Agency determines that the person was displaced as a direct result of the program or project;

(B) A person who initially enters into occupancy of the property after the date of its acquisition for the project;

(C) A person who has occupied the property for the purpose of obtaining assistance under the Uniform Act;

(D) A person who is not required to relocate permanently as a direct result of a project. Such determination shall be made by the Agency in accordance with any guidelines established by the Federal Agency funding the project (See Appendix A, § 24.2(a)(9)(ii)(D));

(E) An owner-occupant who moves as a result of an acquisition of real property as described in §§ 24.101(a)(2) or 24.101(b)(1) or (2), or as a result of the rehabilitation or demolition of the real property. (However, the displacement of a tenant as a direct result

of any acquisition, rehabilitation, or demolition for a Federal or federally-assisted project is subject to this part.);

(F) A person whom the Agency determines is not displaced as a direct result of a partial acquisition;

(G) A person who, after receiving a notice of relocation eligibility (described at § 24.203(b)), is notified in writing that he or she will not be displaced for a project. Such written notification shall not be issued unless the person has not moved and the Agency agrees to reimburse the person for any expenses incurred to satisfy any binding contractual relocation obligations entered into after the effective date of the notice of relocation eligibility;

(H) An owner-occupant who conveys his or her property, as described in §§ 24.101(a)(2) or 24.101(b)(1) or (2), after being informed in writing that if a mutually satisfactory agreement on terms of the conveyance cannot be reached, the Agency will not acquire the property. In such cases, however, any resulting displacement of a tenant is subject to the regulations in this part;

(I) A person who retains the right of use and occupancy of the real property for life following its acquisition by the Agency;

(J) An owner who retains the right of use and occupancy of the real property for a fixed term after its acquisition by the Department of the Interior under Pub. L. 93-477, Appropriations for National Park System, or Pub. L. 93-303, Land and Water Conservation Fund, except that such owner remains a displaced person for purposes of subpart D of this part;

(K) A person who is determined to be in unlawful occupancy prior to or after the initiation of negotiations, or a person who has been evicted for cause, under applicable law, as provided for in § 24.206. However, advisory assistance may be provided to unlawful occupants at the option of the Agency in order to facilitate the project;

(L) A person who is not lawfully present in the United States and who has been determined to be ineligible for relocation assistance in accordance with § 24.208; or

Dwelling. The term dwelling means the place of permanent or customary and usual residence of a person, according to local custom or law, including a single family house; a single family unit in a two-family, multi-family, or multi-purpose property; a unit of a condominium or cooperative housing project; a non-housekeeping unit; a mobile home; or any other residential unit.

Dwelling site. The term dwelling site means a land area that is typical in size for similar dwellings located in the same neighborhood or rural area. (See Appendix A, § 24.2(a)(11).)

Farm operation. The term farm operation means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale or home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

Federal financial assistance. The term Federal financial assistance means a grant, loan, or contribution provided by the United States, except any Federal guarantee or insurance and any

interest reduction payment to an individual in connection with the purchase and occupancy of a residence by that individual.

Household income. The term household income means total gross income received for a **twelve (12) month** period from all sources (earned and unearned) including, but not limited to wages, salary, child support, alimony, unemployment benefits, workers compensation, social security, or the net income from a business. It does not include income received or earned by dependent children and full-time students under 18 years of age. (See Appendix A, § 24.2(a)(14) for examples of exclusions to income.)

Initiation of negotiations. Unless a different action is specified in applicable Federal program regulations, the term initiation of negotiations means the following:

(i) Whenever the displacement results from the acquisition of the real property by a Federal Agency or State Agency, the initiation of negotiations means the delivery of the initial written offer of just compensation by the Agency to the owner or the owner's representative to purchase the real property for the project. However, if the Federal Agency or State Agency issues a notice of its intent to acquire the real property, and a person moves after that notice, but before delivery of the initial written purchase offer, the initiation of negotiations means the actual move of the person from the property.

(ii) Whenever the displacement is caused by rehabilitation, demolition or privately undertaken acquisition of the real property (and there is no related acquisition by a Federal Agency or a State Agency), the initiation of negotiations means the notice to the person that he or she will be displaced by the project or, if there is no notice, the actual move of the person from the property.

(iii) In the case of a permanent relocation to protect the public health and welfare, under the Comprehensive Environmental Response Compensation and Liability Act of 1980 (Pub. L. 96-510, or Superfund) (CERCLA) the initiation of negotiations means the formal announcement of such relocation or the Federal or federally-coordinated health advisory where the Federal Government later decides to conduct a permanent relocation.

(iv) In the case of permanent relocation of a tenant as a result of an acquisition of real property described in § 24.101(b)(1) through (5), the initiation of negotiations means the actions described in § 24.2(a)(15)(i) and (ii), except that such initiation of negotiations does not become effective, for purposes of establishing eligibility for relocation assistance for such tenants under this part, until there is a written agreement between the Agency and the owner to purchase the real property. (See Appendix A, § 24.2(a)(15)(iv)).

Lead Agency. The term Lead Agency means the Department of Transportation acting through the Federal Highway Administration.

Mobile home. The term mobile home includes manufactured homes and recreational vehicles used as residences. (See Appendix A, § 24.2(a)(17)).

Mortgage. The term mortgage means such classes of liens as are commonly given to secure advances on, or the unpaid purchase price of, real property, under the laws of the State in which the real property is located, together with the credit instruments, if any, secured thereby.

Nonprofit organization. The term nonprofit organization means an organization that is incorporated under the applicable laws of a State as a nonprofit organization, and exempt from paying Federal income taxes under section 501 of the Internal Revenue Code (26 U.S.C. 501). Pursuant to an alternative requirement established by 83 FR 5844, all references to states and State grantees shall include the Commonwealth of Puerto Rico.

Owner of a dwelling. The term owner of a dwelling means a person who is considered to have met the requirement to own a dwelling if the person purchases or holds any of the following interests in real property:

- (i) Fee title, a life estate, a land contract, a 99-year lease, or a lease including any options for extension with at least 50 years to run from the date of acquisition; or
- (ii) An interest in a cooperative housing project which includes the right to occupy a dwelling; or
- (iii) A contract to purchase any of the interests or estates described in § 24.2(a)(1)(i) or (ii) of this section; or
- (iv) Any other interest, including a partial interest, which in the judgment of the Agency warrants consideration as ownership.

Person. The term person means any individual, family, partnership, corporation, or association.

Program or project. The phrase program or project means any activity or series of activities undertaken by a Federal Agency or with Federal financial assistance received or anticipated in any phase of an undertaking in accordance with the Federal funding Agency guidelines.

Salvage value. The term salvage value means the probable sale price of an item offered for sale to knowledgeable buyers with the requirement that it be removed from the property at a buyer's expense (i.e., not eligible for relocation assistance). This includes items for re-use as well as items with components that can be re-used or recycled when there is no reasonable prospect for sale except on this basis.

Small business. A small business is a business having not more than 500 employees working at the site being acquired or displaced by a program or project, which site is the location of economic activity. Sites occupied solely by outdoor advertising signs, displays, or devices do not qualify as a business for purposes of § 24.304.

State. Any of the several States of the United States or the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or a political subdivision of any of these jurisdictions. Pursuant to an alternative requirement established by 83 FR 5844, all references to states and State grantees shall include the Commonwealth of Puerto Rico.

Tenant. The term tenant means a person who has the temporary use and occupancy of real property owned by another.

Uneconomic remnant. The term uneconomic remnant means a parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property, and which the Agency has determined has little or no value or utility to the owner.

Uniform Act. The term Uniform Act means the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Pub. L. 91-646, 84 Stat. 1894; 42 U.S.C. 4601et seq.), and amendments thereto.

Unlawful occupant. A person who occupies without property right, title or payment of rent or a person legally evicted, with no legal rights to occupy a property under State law. An Agency, at its discretion, may consider such person to be in lawful occupancy.

Utility costs. The term utility costs means expenses for electricity, gas, other heating and cooking fuels, water, and sewer.

Utility facility. The term utility facility means any electric, gas, water, steam power, or materials transmission or distribution system; any transportation system; any communications system, including cable television; and any fixtures, equipment, or other property associated with the operation, maintenance, or repair of any such system. A utility facility may be publicly, privately, or cooperatively owned.

Utility relocation. The term utility relocation means the adjustment of a utility facility required by the program or project undertaken by the displacing Agency. It includes removing and reinstalling the facility, including necessary temporary facilities; acquiring necessary right-of-way on a new location; moving, rearranging, or changing the type of existing facilities; and taking any necessary safety and protective measures. It shall also mean constructing a replacement facility that has the functional equivalency of the existing facility and is necessary for the continued operation of the utility service, the project economy, or sequence of project construction.

Waiver valuation. The term waiver valuation means the valuation process used and the product produced when the Agency determines that an appraisal is not required, pursuant to §24.102(c)(2) appraisal waiver provisions.

3 Acronyms

The following acronyms are commonly used in the implementation of programs subject to this regulation:

- Bureau of Citizenship and Immigration Service (**BCIS**)
- Federal Emergency Management Agency (**FEMA**)
- Federal Housing Administration (**FHA**)
- Federal Highway Administration (**FHWA**)
- Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (**FIRREA**)
- Housing of last resort (**HLR**)
- U.S. Department of Housing and Urban Development (**HUD**)
- Mortgage interest differential payment (**MIDP**)
- Puerto Rico Department of Housing Uniform Relocation Assistance and Real Property Guide (**PRDOH URA Guide**)
- Replacement housing payment (**RHP**)
- Surface Transportation and Uniform Relocation Act Amendments of 1987 (**STURAA**)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (**URA**)
- U.S. Department of Transportation (**USDOT**)
- Uniform Standards of Professional Appraisal Practice (**USPAP**)

4 Overview/Background

Every project funded in part or in full by Community Development Block Grant – Disaster Recovery (CDBG-DR) funds, and all activities related to that project, are subject to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended and section 104(d) of the Housing and Community Development Act of 1974 (HCDA), except where waivers or alternative requirements have been provided by the U.S. Department of Housing and Urban Development (HUD). The implementing regulations for URA are at 49 C.F.R. § 24, and the regulations for section 104(d) are at 24 C.F.R. § 42, subpart C. The primary purpose of these laws and regulations is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects.

Applicable Waivers and Alternative Requirements

HUD has waived select requirements of URA and section 104(d) of the Housing and Community Development Act listed below, concerning the use of CDBG-DR funds allocated under Federal Register Vol. 83, No. 5844 (February 14, 2018), 83 FR 5844.

One-for-One Replacement

One-for-one replacement requirements at section 104(d)(2)(A)(i) and (ii) and (d)(3) of the HCDA and 24 C.F.R. § 42.375 are waived in connection with funds allocated under this notice for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. The section 104(d) one-for-one replacement requirements generally apply to demolished dwelling units or converted occupied and vacant occupiable lower-income dwelling units. This waiver exempts disaster-damaged units that meet the definition of “not suitable for rehabilitation” from the one-for-one replacement requirements.

The Puerto Rico Department of Housing (PRDOH) defines “not suitable for rehabilitation” as storm-damaged homes that cannot be rehabilitated or reconstructed in place under existing agency policies and award caps, due to legal, engineering, or environmental constraints (permitting, extraordinary site conditions, historic preservation, etc.).

Relocation Assistance

The relocation assistance requirements at section 104(d)(2)(A) of the HCDA and 24 C.F.R. § 42.350 are waived to the extent that they differ from the requirements of the URA and its implementing regulations at 49 C.F.R. § 24, as modified by waivers and alternative requirements established, for activities related to disaster recovery. This waiver of section 104(d) relocation assistance requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under 83 FR 5844.

Tenant-Based Rental Assistance

The requirements of sections 204 and 205 of the URA, and 49 C.F.R. § 24.2(a)(6)(vii), 24.2(a)(6)(ix), and 24.402(b) are waived to the extent necessary to permit a grantee to

meet all or a portion of a grantee's replacement housing payment obligation to a displaced tenant by offering rental housing through a Tenant Based Rental Assistance (TBRA) housing program subsidy (e.g., Section 8¹ rental voucher or certificate), provided that comparable replacement dwellings are made available to the tenant in accordance with 49 C.F.R. § 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months.

TBRA programs, such as the Section 8 rental voucher program, are programs administered by HUD Public Housing, typically not through disaster recovery grants. TBRA programs referenced in this waiver are not disaster recovery programs. This waiver allows PRDOH to use TBRA programs to meet the URA benefit obligation of providing comparable replacement dwellings which are supported by TBRA to displaced persons, so long as the displaced person is willing to participate in the TBRA program.

Displacement Due to a Major Disaster

Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act states that no person otherwise eligible for replacement housing payment under URA shall be denied that eligibility for failure to meet the occupancy requirements set by the URA due to being displaced from the subject property as a result of a major disaster as determined by the President. Section 414 of the Stafford Act (including its implementing regulation at 49 C.F.R. § 24.403(d)(1)), is waived to the extent that it would apply to real property acquisition, rehabilitation or demolition of real property for a CDBG– DR funded project commencing more than one year after the date of the latest applicable Presidentially declared disaster undertaken by the grantees, or subrecipients, provided that the project was not planned, approved, or otherwise underway prior to the disaster.

For purposes of this paragraph, a CDBG–DR funded project shall be determined to have commenced on the earliest of: (1) The date of an approved Request for Release of Funds and certification, or (2) the date of completion of the site-specific review when a program utilizes tiering, or (3) the date of sign-off by the approving official when a project converts to exempt under 24 C.F.R. § 58.34(a)(12). Because no projects funded by the CDBG-DR allocations for the 2017 disasters commenced within one year of the qualifying disaster event, this waiver applies to activities undertaken as part of the PRDOH Home Repair, Reconstruction, or Relocation Program (R3 Program).

This waiver does not apply concerning persons that meet the occupancy requirements to receive a replacement housing payment under the URA nor does it apply to persons displaced or relocated temporarily by other HUD-funded programs or projects. Such persons' eligibility for relocation assistance and payments under the URA is not impacted by this waiver.

¹ Section 8 of the Housing Act of 1937, often called Section 8, as repeatedly amended, authorizes the payment of rental housing assistance to private landlords on behalf of approximately 4.8 million low-income households, as of 2008, in the United States.

5 Activities

Acquisition Requirements

Residential

Assistance under this Program will be provided under three primary categories: rehabilitation, reconstruction, and relocation. Within the reconstruction Program, demolition may be an eligible activity, and under the Relocation Program, acquisition and demolition may also be eligible activities. Under the R3 Program, relocation is accomplished through program-acquisition of the storm-damaged property and provision of a replacement dwelling. See R3 Program Guidelines, available at www.cdbg-dr.pr.gov.

URA acquisition requirements found in 49 C.F.R. § 24.101(B) do not apply to acquisitions completed under the R3 Program because acquisitions completed under the R3 Program meet the conditions which exempt projects from the requirements of 49 C.F.R. § 24.101(B). The following conditions apply to all acquisition completed in conjunction with the provision of replacement housing under the R3 Program.

- No specific site or property needs to be acquired.
- Property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
- PRDOH will not acquire property if the negotiations fail to reach an amicable agreement, and the owner of such property is so informed in writing.
- PRDOH will inform the owner in writing of what it believes to be the fair market value of the property.

All acquisition completed under the R3 Program is entirely voluntary. No property will be acquired through involuntary purchase or eminent domain or condemnation if negotiations for acquisition fail to result in an agreement. Owners of properties acquired by PRDOH are not considered displaced persons, (see 49 C.F.R § 24.2(a)(9)(ii)(E) or (H)), and as such, are not entitled to relocation assistance benefits under URA. However, tenants on such properties may be eligible for relocation assistance benefits.

As per Article 1436 of the Puerto Rico Civil Code, 31 LPRA § 4031, a lessee (*tenant/arrendatario*) is a person who acquires the use of a thing or a right to the work or service for which they bind themselves to pay. Also as stated in Article 1232 of the aforementioned Code, 31 LPRA § 3453, contracts, including leases, in which the amount of the consideration of one or both of the two contracting parties exceeds three hundred (300) dollars, must be reduced to writing even though it is a private contract.

Non-Residential

This section will be updated as Non-Residential Programs are developed.

6 Relocation Requirements

Residential

PRDOH Program activities include rehabilitation, reconstruction, new construction, demolition, and acquisition of storm-damaged single-family residential properties. Prospective Agency activities may result in temporary relocation or permanent displacement subject to URA.

Displacement resulting from pre-award activities is generally not considered to be undertaken for a program or project with federal financial assistance because the federal funds are not yet anticipated, meaning that URA will not apply.

Relocation Planning

As part of the initial application intake and eligibility review process, the R3 Program collects basic property and project data to estimate the number of households to be displaced. The data collected includes:

- Property address
- Household demographics
- Flood zone designation
- Substantial damage determination
 - Substantially damaged structures are defined as those that suffered damage equal to or greater than fifty percent (50%) of the cost of repair as compared to the current market value of the structure.

Applicants are required to disclose to PRDOH the names and best-known contact information for all heads of household occupying subject properties during the period of Program assistance. The Applicant is responsible for notifying PRDOH of changes to this information that may occur between the date of application and Program close out. Applicants who fail to provide requested information about their property occupants may be found ineligible for Program assistance

PRDOH conducts a project-specific review of the complexity and nature of the anticipated displacing activity if any. This review may be revised up to final application closeout, as necessary to reflect changes in funded activities.

Notifications

All notices described in this part are personally served or sent by certified or registered first-class mail, return receipt requested and documented in the Program system of record. When notifications are personally served, recipients will be asked to sign an acknowledgement of notification. Notifications are sent in English and Spanish. Each notice includes contact information of a person who can be contacted to answer questions or provide other needed help. Persons who are unable to read or understand the notifications must be provided with appropriate translation or interpretation services

in accordance with HUD limited English proficiency guidance, alternative formats, and/or counseling.

General Information Notice (GIN)

As soon as feasible, the General Information Notice (**GIN**) must be issued to potentially displaced persons (copied to the Applicant) that may be displaced by a federally assisted project.

As soon as feasible begins when PRDOH has identified the site prior to or at the time of the submission of the HUD application for federal financial assistance. All heads of household actively occupying the subject property who are not the Applicant or Co-applicant responsible for the application for assistance to the project are presumed to qualify as potential "displaced persons" for the purposes of issuing a GIN.

The GIN discloses to households that PRDOH may provide assistance, via federal funding subject to URA, to support the rehabilitation, reconstruction, or acquisition of the property they occupy. The GIN outlines the basic requirements to be eligible for URA protections, the relocation assistance offered by PRDOH, and the conditions under which displacement might occur.

The GIN advises households NOT to relocate until advised to do so by PRDOH. The GIN advises households that they will not be required to move without at least **ninety (90) days** advance written notice for permanently displaced persons or without at least **thirty (30) days** advance written notice for temporary relocation. Households that relocate after receiving a GIN without receipt of a **thirty (30) day** notice and/or **ninety (90) day** notice are considered to have moved voluntarily and for reasons other than Program-funded activities.

The GIN informs households that they cannot be required to move permanently unless at least one (1) comparable replacement dwelling has been made available. Additionally, the GIN advises households that any person who is an alien not lawfully present in the United States is ineligible for relocation assistance unless such ineligibility would cause extremely unusual hardship and provides general information about the households' right to contest an Agency determination.

A copy of the GIN is additionally provided to the Applicant. The cover letter reminds the Applicant of his/her responsibility to comply with all URA requirements in order to receive Program assistance.

Notice of Non-Displacement – No Relocation Required

All households receiving a GIN that will not need to relocate to complete Agency activities are provided a Notice of Non-Displacement – No Relocation Required. Every effort is made to provide the Notice in a timely manner following the review and approval of the Program activities. Once provided with a Notice of Non-Displacement – No Relocation Required, a household is determined to not qualify for PRDOH URA assistance unless the Program activities are significantly altered.

Notice of Non-Displacement – Temporary Relocation Required

All households receiving a GIN that will need to relocate for periods up to **twelve (12) months** to complete Program activities are provided a Notice of Non-Displacement – Temporary Relocation Required. Temporary relocation is most commonly required when a household occupies a storm-damaged property that qualifies to receive rehabilitation or reconstruction in its original location, but the scope of work and/or special household conditions requires the occupants to move temporarily. The need for permanent displacement vs. temporary relocation will be determined on a case-by-case basis in compliance with URA regulations.

Notice of Eligibility

PRDOH provides households a Notice of Eligibility as soon as feasible following the determination that the household will qualify as “displaced persons” as defined in 49 C.F.R. § 24.2(a)(9) and validating the household satisfies the eligibility requirements specified below in the Household Eligibility Requirements for URA section of this document.

Eligibility for relocation assistance shall begin on the date of a notice of intent to acquire (described in §24.203(d)), the initiation of negotiations (defined in §24.2(a)(15)), or actual acquisition, whichever occurs first. When this occurs, the Agency shall promptly notify all occupants in writing of their eligibility for applicable relocation assistance.

PRDOH requests households receiving a Notice of Eligibility indicate their relocation preferences as soon as feasible in order to support accurate relocation planning and market analysis. Preferences are non-binding and do not affect the household's eligibility for PRDOH URA assistance and services.

Thirty (30) Day Notice

Households who must temporarily relocate due to program activities are provided a minimum **thirty (30) day** notice of the date by which they must vacate to allow Program activities to continue. Applicants may not knowingly create an emergency situation (failing to inform PRDOH of project plans, disconnecting utilities, restricting access and egress with construction staging, etc.) requiring households to vacate with less than **thirty (30) days** written notice from PRDOH. Households may choose to relocate at any point after receipt of the **thirty (30) day** notice up to the relocation date provided by PRDOH with no loss of PRDOH URA eligibility.

If project plans are delayed, PRDOH may choose to provide a revised **thirty (30) day** notice to impacted households with a new relocation date. If households have been unable to secure temporary relocation housing with the Program's assistance by the relocation date, the project activities must be delayed until suitable housing can be secured.

Ninety (90) Day Notice

Households that qualify as “displaced persons” as defined in 49 C.F.R. § 24.2(a)(9) and who have been provided a Notice of Eligibility are provided a minimum of **ninety (90) days** written notice of the earliest date they may be required to permanently relocate.

PRDOH provides information on three comparable replacement dwellings and the maximum amount of replacement housing payments available to the household along with the **ninety (90) day** notice.

Households may relocate and/or initiate a claim for relocation assistance at any point after receipt of the **ninety (90) day** notice up to the relocation date provided by the Program with no loss of URA eligibility. The household must notify PRDOH immediately when they have determined their move out date. Households have up to **twelve (12) months** from the date of the **ninety (90) day** notice to occupy a replacement dwelling for which they wish to claim relocation assistance.

Relocation Advisory Services

To assure that the person(s) who are affected by the project understands his/her rights and responsibilities, relocation advisory services are provided to all persons who must relocate from program-assisted properties. Limited advisory services (separate from housing counseling services) are additionally provided to PRDOH Applicants and households not required to relocate to ensure notifications are received and applicable policies are clearly understood.

Dedicated Relocation Specialists are available to answer any questions about the URA, and PRDOH's relocation policies and procedures. Communication, whether in person, on the phone, or via email, is recorded in the PRDOH's system of record. Individual household information is kept confidential to all parties other than the household unless disclosure is authorized in advance by the household. PRDOH does not provide legal advice or intervene in landlord/tenant or other similar disputes.

Relocation advisory services include determining the relocation needs and preferences of each person or household who must relocate. Relocation specialists are available to explain relocation payments, assistance for which the person or household may be eligible and associated eligibility criteria, and process for obtaining such assistance. Relocation advisory services shall include a personal interview with each displaced person. When feasible, contact shall be face-to-face.

Intake Meeting

PRDOH meets with all households required to relocate to determine their relocation needs and preferences. Whenever possible, this meeting is conducted in person. The meeting is coordinated with the delivery of the **thirty (30) day** notice and/or **ninety (90) day** notice, whenever possible. Households may request more than one face to face meeting. The meeting may be conducted prior to delivery of the **thirty (30) day** notice or

ninety (90) day notice when a relocation date is not yet known but is anticipated to be within the next **sixty (60)** or **one hundred twenty 120 days** as appropriate.

The purpose of the intake meeting is to:

- Ensure that all applicable notices described in the section titled "Notifications" have been provided and understood by the household.
- Describe the relocation process to the household, including the procedures for submitting expense claims and receiving payments.
- Explain the eligibility requirements and process for obtaining for each type of available assistance, including any applicable payment calculations and limitations.
- Collect documentation from the household to be used to validate their eligibility and amount of assistance.
- Collect information on the specific features of the household's current dwelling and their relocation needs with respect to accessibility, transportation, and community.
- Collect demographic data from the household to be included in PRDOH's reporting of assisted persons.

Comparable Replacement Dwellings

PRDOH continuously reviews information on the availability, purchase prices, and rental costs of potential comparable replacement dwellings. Households are encouraged to review the housing market and notify PRDOH of preferred properties. No household is required to relocate until at least one comparable replacement dwelling is made available to them. If a household is required to relocate more than once due to Program activities, including potentially renegotiating lease terms due to changes in the expected duration of relocation, PRDOH will identify comparable replacement housing for each required relocation.

In order to be identified as comparable, a dwelling must be functionally equivalent to the displacement dwelling. The term "functionally equivalent" means that it performs the same function and provides the same utility. It does not require the replacement dwelling to include all the same features of the displacement dwelling.

At a minimum, a comparable dwelling must be able to adequately house the entire household being relocated. This includes providing any medically necessary accommodations required by any member of the household. PRDOH will consider the following additional factors in determining a unit's comparability:

- Environmental conditions at the location
- Distance from the displacement dwelling
- Location with respect to access to public utilities, commercial and public facilities, and the displaced person's place of employment
- Size of the dwelling site

- Cost as compared to the market and the financial means of the displaced person
- Length of lease and other rental terms

A dwelling is considered to be made available to the household if the household is informed of its location and the household is able to successfully negotiate a lease within a reasonable period of time, should they choose to do so. If a household does not attempt to negotiate a lease within a reasonable period of time and the unit is subsequently leased to others, additional comparable replacement dwellings may be made available to the household at PRDOH's discretion. A reasonable period of time is generally understood to be at least **thirty (30) days**.

In the event, PRDOH fails to identify and make available at least **two (2)** comparable replacement dwellings for a temporary relocation and at least **three (3)** comparable replacement dwellings for permanent relocation, the reasons for offering fewer units must be documented.

Temporarily occupied housing must be decent, safe, and sanitary. The Section 8 Housing Quality Standards checklist² may be used to document inspection and that the dwelling is free of lead paint and other hazards. **The temporary unit must be suitable** but not necessarily comparable (see 49 C.F.R. § 24.2(a)(6) Comparable replacement dwelling).

PRDOH will provide transportation to view the identified properties upon request. PRDOH may also assist households with completing rental applications and satisfying other requirements of the lease negotiation process. PRDOH does not provide legal advice to households.

Housing of Last Resort

Whenever a program or project cannot proceed on a timely basis because comparable replacement dwellings are not available within the project area as a whole or within the monetary limits for owners or tenant, PRDOH will offer additional or alternate assistance to eligible households. Any decision to provide housing of last resort must be adequately justified on a case-by-case basis in accordance with 49 C.F.R. §24. 404.

Methods for providing replacement housing of last resort include, but are not limited to:

- A replacement housing payment in excess of the limits outlined in §24.401 or § 24.402.
- Rehabilitation and/or additions to an existing replacement dwelling
- Construction of a new replacement dwelling
- Relocation and, if necessary, rehabilitation of a dwelling
- Removal of barriers for persons with disabilities

Provision of last resort housing assistance will be decided on a case-by-case basis, only after appropriate consideration has been given to the availability of comparable

² https://www.hud.gov/sites/documents/DOC_11775.PDF

replacement housing in the project area, the resources available to provide comparable replacement housing, and the individual circumstances of the displaced person.

Decent, Safe, and Sanitary (DSS) Inspections

PRDOH conducts an inspection of all relocation dwellings occupied by assisted households to ensure decent, safe, and sanitary (DSS) conditions. This inspection should be conducted prior to negotiating a lease, and always before occupying the dwelling. It is preferred that relocation dwellings be inspected prior to being occupied by the displaced person. There is no limit to the number of inspections PRDOH will perform per household.

Should a dwelling fail the initial inspection, the property owner will be given the opportunity to cure the identified issues within a reasonable period of time, but no longer than **ten (10) business days** before requesting a follow-up inspection. Should the issues persist upon reinspection and/or if the household so requests, PRDOH will work with the household to identify an alternate relocation dwelling.

Reasonable Accommodations

In certain circumstances, displaced households may require a reasonable accommodation in order to fully benefit from temporary or permanent relocation activities undertaken in conjunction with Agency activities. Reasonable accommodation shall be made to a relocation dwelling for persons with a disability or physical impairment that substantially limits one or more major life activities. Reasonable accommodation may include, but is not limited to:

- Doors of adequate width
- Ramps or other modifications to traverse stairs and access bathtubs, shower stalls, toilets, sinks or storage cabinets
- Physical modifications to the unit based on the displaced person's needs

In addition, all forms, written materials, and verbal messages used to communicate with displaced households will be made available in Spanish and English. Displaced persons who are unable to read or adequately understand Spanish or English will be provided with appropriate counseling and translation.

Moving Assistance

PRDOH regularly communicates with households to ensure they are adequately preparing to relocate by the relocation date. This includes confirming the household is making plans to move and/or store their personal property. Referrals to counseling, including the Housing Counseling Program and other sources of assistance that may be available may be made to households that appear to be having difficulty adjusting to the relocation or preparing to move.

If requested, PRDOH may organize moving and storage services on the household's behalf. Such actions must be authorized by the household.

Expense Claim Assistance

PRDOH routinely communicates with relocated households to encourage eligible claims are submitted in a timely manner. Where necessary and requested, PRDOH may provide assistance collecting appropriate expense documentation and filling out all necessary claim forms. Households are ultimately responsible for submitting all payment claims to PRDOH within required timeframes.

Government Housing Assistance

For households that may be eligible for tenant-based rental assistance and qualify as "displaced persons," PRDOH will advise the household on the requirements and procedures, including the applicable timelines to coordinate with PRDOH's relocation date, to obtain such a long-term rent subsidy. These requirements may be considered in PRDOH's evaluation of comparable replacement dwellings. It is ultimately at the household's discretion to pursue and obtain this assistance.

For households receiving government housing assistance at the displacement dwelling, PRDOH will work with the household and their assigned case manager to coordinate a transfer or pause in the existing assistance during the relocation period.

Applicant Advisory Services

As a condition of receiving Agency assistance, Applicants agree to comply with PRDOH URA. Applicants must disclose to PRDOH all households occupying the assisted property and must coordinate construction or relocation plans with PRDOH to ensure households receive proper notification and relocation services. PRDOH's applicant advisory services focus on supporting Applicants in their compliance efforts.

PRDOH may assist Applicants in properly disclosing property occupants and construction plans. In order to maintain accurate records, PRDOH may request periodic updates of this information from the Applicant. PRDOH may also request the Applicant's assistance in contacting property occupants. Applicants will be made aware that refusing to provide the requested information and/or assistance may be considered a violation of URA that would result in the Applicant being found ineligible for PRDOH assistance.

Should an Applicant have a new household occupy the property after the date of application to PRDOH and prior to substantial completion of Agency activities, PRDOH requests the Applicant provide a Move-In Notice during negotiations that states the household may be required to relocate and that they will not be eligible to receive URA assistance. A sample Move-In Notice is provided to all Applicants to facilitate notification. Failure to properly notify households moving into the property after the date of application may be considered a violation of URA that would result in the Applicant being found ineligible for Agency assistance.

PRDOH does not interfere in the Applicant's efforts to enforce legally agreed upon occupancy terms. However, Applicants must keep PRDOH informed of all potential and actual eviction proceedings as they occur to ensure proper documentation and

notification of the household's loss of URA eligibility. Failure to adequately inform PRDOH in advance may result in the loss of Program eligibility if the eviction appears to have been undertaken in order to clear the property for construction. PRDOH requests that all households in delinquency be given at least **thirty 30 days** to cure the issue before the Applicant proceeds to legal eviction.

Household Eligibility Requirements for URA

To be eligible for URA relocation assistance, a household must be:

- Distinct from the person(s) or entity responsible for the application to a program included in the Puerto Rico Action Plan for Disaster Recovery. A household is defined as all persons occupying the same unit regardless of familial status unless it can be proven or demonstrated that some persons occupying the unit are defined as legal tenants as per Puerto Rican civil code. If the person can be defined as a tenant, those persons will be excluded from the household for program purposes such as income verification, etc. However, that proven tenant, who is distinct from the household may be eligible for URA as described in this document.
- Actively occupying a housing unit within a property receiving Agency assistance at the time of funded acquisition, rehabilitation, or reconstruction activities are scheduled to commence. All households occupying assisted properties on the date of application to PRDOH must be allowed to renew their occupancy through the duration of Agency assistance by initiating negotiations. Households whose occupancy begins after the date of application are similarly protected unless they were provided a proper Move-In Notice at the beginning of their occupancy.
- Required to relocate from the assisted housing unit for a minimum of **one (1) day** in order to complete PRDOH activities. Relocation is considered to be required if Agency activities in the unit or other parts of the property will result in the housing unit not being decent, safe, and sanitary for habitation for a period of time exceeding **eight (8) hours**. This includes restriction of unit access and egress as well as the provision of utilities.
- They are legally entitled to occupy the housing unit. All household members of the person legally entitled to occupy the housing unit are presumed to be in lawful occupancy unless the household or specific household members have been evicted for serious or repeated violation of material terms of the lease or occupancy agreement.
- Lawfully present in the United States. All members of the household must certify they are a citizen or national of the United States, or an alien who is lawfully present in the United States. No PRDOH URA assistance is provided to household members

who fail to provide this certification unless such persons can demonstrate that the denial of relocation assistance will result in an exceptional and extremely unusual hardship to other household members who are a citizen, national, or alien lawfully admitted for permanent residence in the United States.

In the event a household that would otherwise be required to relocate is determined to be ineligible for PRDOH URA assistance, PRDOH notifies the household in writing of its determination. Notification is personally served or sent by certified or registered first-class mail, return receipt requested and documented in PRDOH system of record. Households may appeal PRDOH's determination, in accordance with the Appeals section of this document. Applicants are advised to delay relocation and construction plans while any such appeal is pending.

Non-Responsive Households

In the event, a household does not readily respond to PRDOH's outreach and notifications, the following good faith efforts must be made to locate and contact the household. A household is considered non-responsive after:

- A minimum of **three (3) attempts** to contact the household using the last known contact information that result in no meaningful reply.
 - These attempts to contact will have a **thirty (30)** day gap between them.
- At least **one (1)** request to the Applicant for updated contact information or other assistance contacting the household that does not produce new information and/or a response from the household.

If a household that is required to relocate ceases to respond to Agency outreach and/or notifications prior to the relocation date, PRDOH will confirm with the Applicant that the household continues to occupy the property. If so, outreach and notifications continue until the household becomes responsive or can be documented as non-cooperative as described below. If the household has already vacated the property, the Applicant is responsible for documenting to PRDOH that the move was voluntary and unrelated to Agency activities and/or providing active contact information for the household to PRDOH.

In the event that a non-responsive household subsequently contacts PRDOH, communication, advisory services, and payments will resume without penalty, upon the duration of the grant.

Non-Cooperative Households

Households subject to relocation must cooperate with PRDOH to receive PRDOH URA assistance and payments, including vacating the assisted property in a timely manner.

Households that fail to cooperate and vacate the property in a timely manner may be subject to eviction to allow PRDOH activities to proceed.

PRDOH expects households to relocate within the timeframes provided in the **thirty (30) day** notice and/or **ninety (90) day** notice or to have notified PRDOH of a serious issue affecting their ability to relocate within the established timeframe.

In the event a household that PRDOH has determined qualifies as "displaced persons" as defined in 49 C.F.R. § 24.2(a)(9) fails to vacate the assisted property by the established relocation date (extended as appropriate by appeal and/or reasonable accommodation determinations), the household may be evicted "for the project" without penalty to the Applicant. The household retains their entitlement to relocation assistance and payments, provided a suitable permanent dwelling is occupied, and payment claims are submitted within required timeframes. Legal fees incurred in the eviction, if any, are not URA eligible expenses.

Waiver of Relocation Assistance

Households who qualify to receive URA relocation assistance may choose to not receive the relocation assistance or benefits provided by URA. Households may waive their rights and entitlements by signing a written statement that specifically identifies the assistance and payments the household has chosen not to accept. The statement must also clearly show the household has been informed of the assistance and payments they are entitled to receive. Once a household waives their rights in this way, PRDOH ceases all communication with the household with respect to the assistance and/or payments so waived.

Should a household become eligible for different assistance or payments following a waiver, PRDOH informs the household of the changes to their eligibility in writing. The household may choose at that time to pursue the new assistance and payments or they may again elect to waive their rights and entitlements. A new written and signed statement is required to waive their rights to the new assistance and payments.

PRDOH never encourages households to waive their rights or entitlements under URA. Any waiver of rights is completely at the discretion of the household.

Non-Residential

This section will be updated as Non-Residential Programs are developed.

7 Temporary Displacement (Temporary Relocation)

The URA Regulations provide guidance for assistance to tenant-occupants who are temporarily displaced due to federally assisted projects involving the acquisition, rehabilitation, or demolition of apartments, homes, commercial buildings, etc., which could allow for a quick return for the original occupants.

Relocation is considered temporary when the displaced household must relocate for up to **one (1) year (twelve (12) months)**. Any residential tenant who has been temporarily

relocated for a period beyond one year will be offered permanent relocation assistance. This assistance would be in addition to any assistance the person has already received for temporary relocation and may not be reduced by the amount of any temporary relocation assistance. (See Section on Permanent Displacement.)

Eligible Expenses

PRDOH reimburses households that are temporarily relocated for all reasonable out-of-pocket expenses incurred in connection with the relocation. The temporarily displaced household is responsible for submitting applicable source documentation to support costs incurred and to receive reimbursement. In addition, the household must provide proof of occupancy, or intent to occupy, a decent, safe, and sanitary dwelling adequately sized to accommodate all occupants. Relocation expenses beyond the parameters outlined in this manual must be pre-approved by PRDOH prior to the household incurring the cost. Relocated households may be responsible to bear any cost not approved by PRDOH in advance.

Increased Housing Costs

PRDOH pays the difference between the actual rent plus utility costs incurred at the temporary unit and the rent plus average annual utility costs incurred at the displacement dwelling. Actual rent costs are capped by PRDOH based on the costs of comparable replacement dwellings available at the time of relocation and appropriate to the length of relocation anticipated. Where a household receives a monthly housing subsidy, the amount of the subsidy is subtracted from the contract rent amount when determining the increased housing cost. PRDOH may also cap base housing costs at 30% of household income for low to moderate income households. PRDOH will use adjusted low to moderate income requirements as defined by the adjusted income limits for Puerto Rico and clarified by HUD. These limits are amended annually.

For relocations of less than one month, the increased housing cost is pro-rated by the number of days relocated. In the event a household relocates to a hotel or other similar accommodation, hotel costs must be necessary and reasonable for the area in which they are located.

PRDOH pays increased housing costs from the effective date of the occupancy agreement for the temporary unit through the date the occupancy agreement is effectively terminated to return to the displacement dwelling, unless the household is displaced for greater than **twelve (12) months** and return occurs after the permanent relocation date provided in a **ninety (90) day** notice. In the event the household does not return to the displacement dwelling, or returns after the permanent relocation date provided in a **ninety (90) day** notice, increased housing costs are paid through the earliest of:

- The date the household waives their right to temporary relocation payments;
- The return home date PRDOH provided to the household;
- The date the household occupies a permanent replacement dwelling; and

- The permanent relocation date provided in a **ninety (90) day** notice.

In the event household members relocate separately, the total payment to all household members combined will not exceed the difference between the maximum replacement housing cost established by PRDOH plus combined utility costs incurred at each temporary unit and the rent plus average annual utility costs incurred at the displacement dwelling. No single household member will receive payment greater than the difference between the individual's actual costs incurred at the temporary unit and their share of the rent plus average annual utility costs incurred at the displacement dwelling. PRDOH establishes the maximum replacement housing cost based on the assumption that the entire household will relocate together regardless of when PRDOH is informed of the household's actual relocation plans.

Moving Expenses

PRDOH pays the actual moving costs incurred by the household to move to the temporary unit and return to the displacement dwelling. Moving costs must be necessary and reasonable to be reimbursed by PRDOH. Temporarily relocated households are required to submit moving cost estimates for approval prior to the move. Failure to submit an estimate ahead of time may result in the resident not being fully reimbursed.

Households are encouraged to use an insured, licensed mover to limit the liability of property lost, stolen, or damaged in the process of moving. The Program additionally pays reasonable, actual costs incurred for moving supplies to support self-moves or commercial moves. PRDOH may request three quotes from professional moving companies to establish a maximum eligible cost for a self-move.

In the event a household is required to move from one temporary unit to another (due to changes in the duration of relocation, DSS conditions, etc.), PRDOH additionally pays for the move to the new temporary unit. PRDOH does not pay for moves during the relocation period that the household makes voluntarily.

In addition to moving costs, PRDOH pays the following actual costs incurred in each eligible move:

- Supplies and/or services to clean the unit being vacated according to occupancy terms
- Fees for disconnection and reconnection of necessary utilities like power, water, and sewer
- Costs to transfer telephone, cable, or internet, provided the household maintained the services at the displacement dwelling

Refundable security deposits are not considered an expense. However, to ease the burden such expenses might cause at the time of a temporary move, PRDOH may elect to advance funds for such deposits under a repayment agreement or may pay such

deposits on behalf of the temporarily relocated person (provided any refund will be made to PRDOH and not the person).

Security Deposits

In cases where a household will be temporarily displaced, PRDOH advises Applicants to retain applicable security deposits throughout the relocation. To assist households with the cost of securing a temporary unit without receipt of their security from the displacement unit, PRDOH may elect to pay refundable security deposits for the temporary unit. The amount of any security deposit payment shall not exceed two month's rent at the temporary unit, unless additional security is required to obtain market-rate housing for low to moderate income households.

To ensure such funds are ultimately returned, PRDOH requires that the household and the landlord of the temporary unit execute a rider to the temporary lease. The rider states that the security deposit, less the amount of any damages caused by the tenant, will be returned directly to PRDOH at the conclusion of the household's occupancy of the temporary unit.

Other Expenses

PRDOH pays the actual costs incurred by displaced persons, except as otherwise noted, for the following related relocation expenses. All claims must be supported by appropriate expense documentation and submitted to PRDOH within **eighteen (18) months** of the relocation date provided in the **thirty (30) day** notice or the date the replacement dwelling was occupied, whichever is earlier.

- **Move Out Cleaning.** The documented cost of supplies and/or services to clean the dwelling being vacated according to occupancy terms.
- **Packing/Unpacking.** The documented costs for packing, crating, unpacking, and uncrating supplies, and services required for the move to the permanent replacement dwelling. Actual costs may not be reimbursed to displaced persons receiving fixed payment for moving expenses.
- **Storage.** Total cost incurred to store personal property for a period not to exceed **twelve (12) months** from the relocation date provided in the **thirty (30) day** notice or the date the replacement dwelling is occupied, whichever is earlier. Insurance required by the storage contract is also reimbursable.
- **Residential Re-establishment Charges.** Any additional fees charged to disconnect and reconnect household appliances and other specialized personal property. Non-refundable utility termination and establishment charges are also reimbursable.

- **Broker Fees.** Fees, up to one month's rent at the unit being moved into, paid to licensed real estate brokers to support the negotiation of occupancy terms and agreements
- **Application Fee.** Any application fees required to secure the selected replacement dwelling, plus a reasonable number of alternative potential replacement dwellings.

Ineligible Expenses

Program Applicants are not eligible to receive any payments under URA for the assisted property. This includes compensation for lost rental income during the relocation period. Relocated households are not entitled to payment for any of the following expenses.

- The cost of moving any structure or other real property improvement to the displacement dwelling in which the household reserved ownership
- Interest on a loan to cover moving expenses
- Personal injury
- Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before PRDOH
- Expenses for searching for a replacement dwelling other than fees charged by a licensed real estate broker
- Costs for storage of personal property on real property already owned or leased by the household,
- Refundable utility deposits

Relocation Duration and Return Home

Households are provided a minimum **thirty (30) day** notice to relocate from the displacement dwelling. Applicants may not undertake activities that impede the household's access to the dwelling, the habitability of the dwelling, or the general safety of the property until the household has fully relocated to a temporary unit or PRDOH has found the household non-cooperative.

PRDOH estimates the relocation duration based on the funded scope of work at the time of relocation. Estimated durations may be used for planning purposes, including evaluating the suitability of replacement housing options. Regardless of the estimated duration, temporary relocation will continue until Agency activities are complete and the displacement dwelling is returned to decent, safe, and sanitary condition or the household is permanently relocated, whichever occurs first. A household is permanently relocated following the relocation date provided in a **ninety (90) day** notice even if the household has not vacated the temporary unit. Applicants and/or authorized property representatives may not collect rent for the displacement dwelling from relocated households.

PRDOH relies on a Final Inspection to establish that Agency activities are complete, and the property meets decent, safe, and sanitary standards. Once a passing Final Inspection is performed and the home receives a Use Permit (*Permiso de Uso*), if applicable, PRDOH notifies relocated households in writing to return to the displacement dwelling within **thirty (30) days**. This Return Home Notice is personally served or sent by certified or registered first-class mail, return receipt requested, and documented in PRDOH system of record. A copy of the Return Home Notice is also provided to the Applicant to facilitate return occupancy negotiations.

Applicants are required to grant relocated households new occupancy agreements upon return for a period not less than twelve (12) months. The occupancy terms, including cost and all pre-relocation amenities, must be unchanged from the pre-relocation terms throughout the **twelve (12) month** return period. Households must be allowed the opportunity to replace non-returning household members in order to maintain the pre-relocation household size; however, the Applicant and/or authorized property representative retains the right to vet any proposed new occupants according to applicable State and local laws. Return occupancy agreements must be submitted to PRDOH for review.

If the household elects not to pursue or fails to negotiate return occupancy terms by the communicated return home date through no fault of the Applicant, Co-Applicant, and/or authorized property representative, the dwelling may be advertised for occupancy at market rates without Agency restrictions.

Payments

Households are required to document their relocation from the displacement dwelling and occupancy of decent, safe, and sanitary accommodations prior to receiving URA payments. If the household is unable to finance the relocation activity until reimbursement without undue hardship, PRDOH may advance payments using cost estimates upon receipt of documentation supporting the intent to relocate. Any funds advanced in this manner must subsequently be reconciled to actual costs incurred and supported by documentation of occupancy.

PRDOH encourages households to submit expense documentation on an ongoing basis throughout relocation. PRDOH issues PRDOH URA payments as frequently as weekly to households who have submitted appropriate documentation of eligible expenses. PRDOH maintains records of the total amount of PRDOH URA payment made to each relocated household throughout the duration of relocation. At the conclusion of the relocation, the household is asked to acknowledge the total amount of payment received as their complete and accurate assistance claim. Upon receipt of this acknowledgement, PRDOH closes the household's file and the household may not submit any additional expenses for payment.

All payments are issued to the relocated household unless the household authorizes PRDOH in writing to make payments to a third party on their behalf. PRDOH provides

written confirmation to households throughout relocation of all payments made on their behalf to third parties. PRDOH prefers to make relocation housing payments and security deposit payments directly to the landlord or leasing entity when all parties consent. There is no restriction on the payments PRDOH may make on behalf of the household upon receiving proper written authorization.

8 Permanent Displacement

Households who qualify as displaced persons as defined in 49 C.F.R. § 24.2(a)(9) who are expected to be relocated from the displacement dwelling for more than 12 months are considered to be permanently displaced persons. Agency policies strive to minimize involuntary permanent displacement. Applicants who purposely circumvent these policies in order to displace occupants are ineligible for Agency assistance and may be additionally responsible for the costs incurred by PRDOH to permanently relocate households adversely impacted by their actions. This manual concerns permanent displacement that is triggered by allowable Agency activities.

Allowable Displacing Activities

Within the parameters of the PRDOH Recovery Programs as outlined in the Puerto Rico Action Plan for Disaster Recovery (Action Plan) and further defined by each Agency's individual guidelines, grant agreements, and other governing documents, there are limited allowable activities that may result in households qualifying as "displaced persons" as defined in 49 C.F.R. § 24.2(a)(9). Each individual case may be subject to Agency review before authorizing the permanent displacement of households. Generally, the following are considered to be activities that may result in permanent displacement.

- Properties subject to demolition which will not be rebuilt, but rather maintained as green space, as part of relocation award under the Home Repair, Reconstruction, or Relocation Program.
- Properties subject to reconstruction that are unable to obtain building permits and/or zoning approval to return the same number of living units to the property as prior to the qualifying event. This can also include cases where accommodations required by the occupying household are not able to be incorporated into the project plans.
- Projects requiring relocation that exceeds **twelve (12) months**, due to no fault of the Applicant. No fault delays can be caused by resource shortages, approved scope changes, or other demonstrated hardships. Displaced households continue to have the right to return as an alternative to permanent displacement up through the completion of Agency activities.

- Permanent relocation from an assisted property due to incomplete and/or inaccurate notifications about relocation, provided the Applicant fully cooperates with all Agency efforts to contact the impacted households.

In addition, PRDOH supports voluntary permanent displacement when the total payments for replacement housing are less than the limits specified in 49 C.F.R. § 24.402(a).

Eligible Expenses

PRDOH provides displaced persons with replacement housing payments and reimbursement for reasonable moving and other related out-of-pocket expenses per 49 C.F.R. § 24.301

Except as specified in the Payments section below, when providing down payment assistance, PRDOH requires proof of occupancy of a decent, safe, and sanitary dwelling adequately sized to accommodate all occupants prior to issuing replacement housing payments. In order to receive reimbursement, the displaced person must submit applicable source documentation to support the cost incurred. Expenses beyond the parameters outlined in this manual must be pre-approved by PRDOH prior to the household incurring the cost. Relocated households may be responsible to bear any cost not approved by PRDOH in advance. Before making a replacement housing payment or releasing a payment from escrow, PRDOH or its designated representative shall make a thorough internal and external inspection of the replacement dwelling to determine whether it is decent, safe, and sanitary.

Rental Assistance

Displaced persons who occupy a replacement rental dwelling within **twelve (12) months** of the permanent relocation date may receive rental assistance calculated as **42 times** the difference between the monthly rent and cost of utilities at a comparable replacement dwelling identified by PRDOH and the base monthly rental at the displacement dwelling. In the event the monthly rent and cost of utilities at the actual replacement dwelling is less than the costs estimated for PRDOH's identified comparable replacement dwelling, the displaced person may only receive **42 times** the difference between the actual monthly costs and the base monthly rental.

The base monthly rental is the average monthly cost for rent and utilities at the displacement dwelling for the **twelve (12) months** prior to relocation for Agency activities. In the event the average monthly cost for rent is less than the fair market rent for the same period of time, PRDOH uses the fair market rent to determine the base monthly rental. A displaced person is considered low income when the displaced person's average monthly gross income at the time of relocation is classified as "low income" as defined by the adjusted income limits for Puerto Rico as clarified by HUD.

In the event that a household qualifying as “displaced persons” as defined in 49 C.F.R. § 24.2(a)(9) is residing separately at the time they become displaced persons, the household may elect to resume co-habitation or continue to reside separately with no adverse impact to their eligibility for URA assistance. Should PRDOH be informed of a desire to continue residing separately, or in the event select household members waive their rights to URA assistance, PRDOH identifies comparable replacement dwellings adequately sized to accommodate each separate component of the former household. The rental assistance is also calculated individually for each separate component of the former household according to the comparable replacement housing and base monthly rental costs incurred by those specific members of the former household.

Down Payment Assistance

Displaced persons may elect to purchase a replacement home. In such instances and when the purchase occurs within **twelve (12) months** of the permanent relocation date, PRDOH provides down payment assistance equal to the maximum amount of rental assistance due to the displaced person, assuming selection of PRDOH's most comparable replacement dwelling.

The full payment must be applied to the purchase price of the replacement dwelling and related incidental expenses. Therefore, PRDOH prefers to issue such payments in conjunction with the displaced person closing on the purchase of the replacement dwelling. Where such coordination is not feasible, PRDOH ensures payment will reimburse the displaced person for out-of-pocket costs incurred for the down payment on the replacement property or related incidental expenses.

Moving Expenses

Displaced persons are entitled to receive payment for moving expenses determined in one of the following ways:

- Reimbursement of direct payment of commercial, licensed, and bonded movers.
- Reimbursement of actual costs incurred to complete a self-move. Self-moving expenses may include packing supplies, equipment rental fees, and reasonable transportation costs.
- Fixed payment for moving expenses based upon the most recent edition of the Fixed Residential Moving Cost Schedule approved by the Federal Highway Administration. Documentation supporting occupancy of the replacement dwelling is required to receive a fixed payment for moving expenses.

Other Expenses

PRDOH pays the actual costs incurred by displaced persons, except as otherwise noted, for the following related relocation expenses. All claims must be supported by appropriate expense documentation and submitted to PRDOH within **eighteen (18)** months of the permanent relocation date provided in the **ninety (90) day** notice or the date the replacement dwelling was occupied, whichever is earlier.

- Move Out Cleaning. The documented cost of supplies and/or services to clean the dwelling being vacated according to occupancy terms.
- Packing/Unpacking. The documented costs for packing, crating, unpacking, and uncrating supplies, and services required for the move to the permanent replacement dwelling. Actual costs may not be reimbursed to displaced persons receiving fixed payment for moving expenses.
- Storage. Total cost incurred to store personal property for a period not to exceed **twelve (12) months from the permanent relocation date provided in the ninety (90) day notice** or the date the replacement dwelling is occupied, whichever is earlier. Insurance required by the storage contract is also reimbursable.
- Residential Re-establishment Charges. Any additional fees charged to disconnect and reconnect household appliances and other specialized personal property. Non-refundable utility termination and establishment charges are also reimbursable.
- Broker Fees. Fees, up to **one (1) month's rent** at the unit being moved into, paid to licensed real estate brokers to support the negotiation of occupancy terms and agreements
- Application Fee. Any application fees required to secure the selected replacement dwelling, plus a reasonable number of alternative potential replacement dwellings.

Ineligible Expenses

Applicants to PRDOH Housing Recovery Programs cannot be displaced from the property for which they submitted an application. Displaced persons are not entitled to payment for any of the following expenses.

- The cost of moving any structure or other real property improvement to the displacement dwelling in which the household reserved ownership
- Interest on a loan to cover moving expenses
- Personal injury
- Any legal fee or other cost for preparing a claim for a relocation payment or for representing the claimant before PRDOH
- Expenses for searching for a replacement dwelling other than fees charged by a licensed real estate broker
- Costs for storage of personal property on real property already owned or leased by the household
- Refundable security and utility deposits

Payments

Relocation assistance payments for residential tenants who are displaced for HUD projects are subject to 42 U.S.C. § 3537(c) and must be disbursed in installments, except that lump sum payments may be made to cover (1) moving expenses, (2) a down payment on the purchase of replacement housing, or incidental expenses related to moving expenses or a down payment on the purchase of replacement housing. The payment schedule is determined by the type of assistance being provided.

Payments will be made in no less than three installment payments, with final payment reserved until PRDOH can document continued occupancy at the selected replacement dwelling for a period **not less than 3 months**, except when the rental assistance payment is \$500 or less. Where the rental assistance payment is \$500 or less, the payment may be made in two installments with **no less than a four-month interval between payments**. To the extent feasible, payment for moving and other related out-of-pocket expenses is combined with a replacement housing payment following receipt of adequate documentation of costs incurred.

In the event that the household is unable to finance relocation until reimbursement without undue hardship, PRDOH may advance payments using cost estimates upon receipt of documentation supporting the intent to relocate. Any funds advanced in this manner must subsequently be reconciled to actual costs incurred. No payments are issued prior to the displaced person receiving a **ninety (90) day** notice with a relocation date.

All payments are issued to displaced persons unless the person authorizes PRDOH in writing to make payments to a third party on their behalf. PRDOH provides written confirmation to displaced persons of all payments made on their behalf to third parties. To close their claim, displaced persons are asked to acknowledge the total amount of payment received. Upon receipt of this acknowledgement, the displaced person may not submit any additional expenses for payment.

9 PRDOH URA Appeals

Applicants to PRDOH CDBG-DR programs, as well as households associated with assisted properties, have the right to appeal Agency determinations with respect to URA eligibility, services, and/or payments. Aggrieved persons may file a written appeal in any case where the person believes that PRDOH has failed to properly consider the person's application for assistance under URA. Also, any displaced person who disagrees with a PRDOH determination of eligibility for benefits or the amount of relocation assistance for which the person is eligible under URA may file a written appeal to PRDOH.

Households have the right to appeal the following Agency determinations:

- Eligibility for URA assistance, including the requirement to relocate
- Amount of relocation or other related expense payments

- Timeframe to exercise rights and entitlements of URA, including relocation timeframes

In addition, households may file an appeal to allege deficiencies in the Agency's relocation assistance advisory services as defined in 49 C.F.R. § 24.205(c) and the Agency's governing documents. Acceptance of Agency services and/or payments does not limit a household's right to appeal.

Households are encouraged to include any statement of fact or other material which they feel has a bearing on the appeal. Agency representatives may assist households in their appeal submission.

Appeals must be submitted within **sixty (60) days** of the date the person receives notification of PRDOH's decision regarding his or her claim and must be directed to PRDOH in writing to the following postal address:

Puerto Rico CDBG-DR Program
ATTN: URA Appeals-Legal Division
P.O. Box 21365
San Juan, PR 00928-1365

While the Agency is reviewing a household's appeal, any pending relocation is suspended unless continued occupancy constitutes a substantial danger to the health or safety of the occupants or the public. Following the Agency's review of the appeal, a notification with the determination is sent to the household. If applicable, the notification will address revisions resulting from the appeal to the relocation timeframe.

A person has a right to be represented by legal counsel or other representative in connection with his or her appeal, but solely at the person's own expense. PRDOH shall permit a person to inspect and copy all materials pertinent to his or her appeal, except materials which are classified as confidential by the PRDOH. However, PRDOH may impose reasonable conditions on the person's right to inspect, consistent with applicable laws.

In deciding an appeal, the PRDOH shall consider all pertinent justification and other material submitted by the person, and all other available information that is needed to ensure a fair and full review of the appeal.

After receipt of all information submitted by a person in support of an appeal, the PRDOH shall make a written determination on the appeal within **thirty (30) days**, including an explanation of the basis on which the decision was made, and furnish the person a copy.

If the determination is in the household's favor, the notification will outline how the household can expect to receive revised determinations, services, and/or payments. If the PRDOH does not grant the full relief requested, or denies the appeal, the notification

will inform the household of their right to seek judicial review of the Agency's determination.

10 PRDOH Residential Anti-Displacement and Relocation Assistance Plan (PRARAP)

Introduction

In addition to the URA requirements outlined in the first half of this guide, the Government of Puerto Rico makes every effort to coordinate with municipalities and other authorities to minimize the direct and indirect displacement of families and individuals from their homes and neighborhoods because of federally assisted activities.

The PRDOH Residential Anti-Displacement and Relocation Assistance Plan (**PRARAP** or Plan) has been prepared **PRDOH** in accordance with section 104(d) the HCDA, as amended, 42 U.S.C. § 5304(d), and HUD regulations at 24 C.F.R. § 42.325, as amended by applicable waivers.

This PRDOH policy aims to minimize the displacement of residents of Puerto Rico as a result of project activity funded through CDBG-DR under HUD grant number B-17-DM-72-0001 and future grant awards as allocated under the Bipartisan Budget Act of 2018, Pub. L. 115-123; the Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2017, Pub. L. 115-72; and the Consolidated Appropriations Act, 2017, Pub. L. 115-31. A person is "displaced" if they are required to move as a direct result of the government's intent to acquire the property or the government's rehabilitation or demolition of the property provided the person did not voluntarily enter into negotiations with the government to sell the property or assist with the rehabilitation or demolition (per 49 C.F.R. § 24.2(a)(9)). A person can be temporarily displaced if the conditions of their move meet this definition but they have the ability to return within **twelve (12) months**.

Purpose

This Plan outlines the broad steps that PRDOH will take -in conjunction with Municipalities and the private sector- to minimize displacement. Additional details on the implementation of this Plan within the specific context of individual PRDOH project activities can be found in this Guide, as well as on the individual program policy guidelines. As per 24 C.F.R. § 42.325 (a)(2), as amended by applicable waivers, all Municipalities -as units of general local government³- receiving funds from PRDOH are required to follow the PRARAP.

Policy to Minimize Displacement

PRDOH will seek to minimize displacement consistent with the goals and objectives for the activities assisted under the HCDA. In addition, PRDOH will coordinate with

³ According to HUD, a "Unit of General Local Government" refers to a city, county, town, parish, village, or other general-purpose political subdivision of a State.

municipalities and other local level authorities to minimize the direct and indirect displacement of persons from their homes and neighborhoods because of assisted activities.

PRDOH will take steps to the extent feasible, such as the ones stated below, to minimize displacement:

- Assist its development partners and/or subrecipients by locating facilities to house persons who must be relocated temporarily during rehabilitation by offering vacant units in other PRDOH regulated properties in the immediate area, if any.
- Plan construction activities to allow tenants to remain in their units as long as possible, by rehabilitating empty units or building first.
- Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
- Support local efforts to enact tax assessment policies which reduce the impact of potentially increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.
- Institute liquidated damages requirements for rehabilitation projects in order to incentivize project completion and, to the maximum extent possible, ensure relocation timeframes of less than **twelve (12) months** (temporary in nature).
- Give priority to rehabilitation, repair or reconstruction, of housing, where feasible and in accordance with applicable program guidelines, as opposed to demolition, to avoid displacement.
- When applicable in accordance with activity type, i.e. purchasing of easements, etc., target only those properties deemed essential to the need or success of the project.
- Coordinate code enforcement with rehabilitation and housing assistance programs.
- Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.
- Establish or utilize approved local counseling centers to provide homeowners with assistance to understand their options and implement their choices in the face of displacement. Projects which include intensive public investment in neighborhoods will be required to publicize the availability of local counseling centers. PRDOH will require documentation of relocation notices for proposed

activities in funding applications which could trigger relocation of existing persons in accordance with its adopted URA practices.

- If a project funded by CDBG-DR which benefits an owner-applicant results in a tenant's temporary relocation, the tenant must be allowed to return to the same unit at the same rental rate for at least a **one-year term** after the program-funded activities have been completed.

Policy on Relocation Assistance

As applicable, and in compliance with the URA and PRDOH policies and procedures, all displaced persons and non-displaced tenants who are required to relocate temporarily will receive advisory services, reasonable and eligible moving expenses, and replacement housing assistance.

Additionally, as outlined in a waiver established in 83 FR 5844, grantees receiving CDBG-DR funds may establish optional relocation policies or permit their subrecipients to establish separate optional relocation policies. This waiver is intended to provide States with maximum flexibility in developing optional relocation policies with CDBG-DR funds.

PRDOH has chosen to implement an optional relocation policy for the R3 Program under which homeowners may qualify for optional relocation assistance only if they must vacate the storm-impacted property during program-sponsored construction. Homeowners who are not residing in the storm-impacted property for any reason other than program-sponsored construction are not eligible for optional relocation assistance. The R3 Program may provide optional relocation assistance only on an extremely limited basis and as a last resort for homeowners to secure temporary housing during program-sponsored construction. Applicants who must temporarily vacate the storm-damaged property for construction activities sponsored by the R3 Program are not considered displaced persons, (see 49 C.F.R § 24.2(a)(9)(ii)(E) or (H)), and as such, are not entitled to relocation assistance benefits under URA. Please consult the R3 Program Guidelines for more information on the optional relocation policy.

END OF DOCUMENT.